

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 10, Topic 15 — Warranty Requirements for New Construction

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15. Warranty Requirements for New Construction Change Date March 11, 2019 • This chapter has been revised in its entirety. a. New Construction Warranties On a new construction property, the Veteran must be provided with: • a 1-year warranty on VA Form 26-1859, Warranty of Completion of Construction, or • a 10-year, insurance backed warranty. b. Evidence of Construction Completion Evidence that the new construction property was satisfactorily completed will be documented as follows: • If the local authority performs foundation, framing and final inspections, VA will accept the certificate of occupancy as evidence of local authority inspections and satisfactory completion of construction in compliance with local building code requirements. If the local authority does not issue a certificate of occupancy, copies of the three satisfactory inspection reports or a written statement from the local authority confirming the three inspections were completed and that the construction was found to be satisfactory will be acceptable. • If the local authority does not provide construction inspections, the lender must certify that the property is complete (both on-site and off- site improvements), and that it meets VA MPRs for existing construction (see Chapter 12 of this Handbook). VA Pamphlet 26-7, Revised Chapter 10: Appraisal Process 10-27

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